

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Petition of the United States Postal Service  
For The Initiation of A Proceeding to  
Consider Proposed Changes in Analytical  
Principles (Proposals One Through Five)

Docket No. RM2013-6

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued September 17, 2013)

To clarify the record, the Postal Service is requested to provide written responses to the following questions. Answers should be provided as soon as possible, but no later than September 23, 2013.

**Proposal Four**

1. Refer to Proposal Four, and the Excel file Attachment 2.xls, worksheet tabs Proposal Imputed A Pages (MD) and Proposal Imputed A Pages (C), which show total volume variable costs for Market Dominant Products and Competitive Products, respectively.

Under Proposal Four, total volume variable costs for International Mail (Market Dominant and Competitive Products) shown in the Excel file Attachment 2.xls are less than the total volume variable costs for Market Dominant and Competitive Products reported in the imputed version of the FY 2012 ICRA, *i.e.*, the Excel file Reports.xls (revised 2-8-13), worksheet tab A Pages Summary. The difference is identical to the imputed Canada Air Diverted to Highway volume variable costs for Non-ISAL and ISAL shown in the Excel file Attachment 1.xls, worksheet tab Adjusted Intl Transportation, and the table entitled Total Imputed International Truck Transportation Cost in Outbound Calcs (\$000 ) for Non-ISAL and ISAL,

cells P13 and Q13. Please explain why imputed Canada Air Diverted to Highway volume variable costs are eliminated from the imputed version of the ICRA under Proposal Four compared to the imputed version of the FY 2012 ICRA.

2. Refer to Proposal Four, and the Excel file Attachment 2.xls, worksheet tabs Proposal Booked A Pages (MD) and Proposal Booked A Pages (C), which show total volume variable costs for Market Dominant Products and Competitive Products, respectively.
  - a. Under Proposal Four, the Excel file Attachment 2.xls shows that total volume variable costs for Market Dominant Products decrease and total volume variable costs for Competitive Products increase compared to the booked version of the FY 2012 ICRA, *i.e.*, the Excel file Reports (Booked).xls (revised 2-8-13), worksheet tabs A Pages (MD) and A Pages (C). The increase in total volume variable costs for Competitive Products is nearly the same as, although slightly less than, the decrease in total volume variable costs for Market Dominant Products. Please explain why there is a shift in total volume variable costs from Market Dominant Products to Competitive Products in the booked version of the ICRA under Proposal Four compared to the booked version of the FY 2012 ICRA.
  - b. Under Proposal Four, total volume variable costs for International Mail (Market Dominant and Competitive Products) shown in the Excel file Attachment 2.xls is less than total volume variable costs for International Mail reported in the booked version of the FY 2012 ICRA, *i.e.*, the Excel file Reports (Booked).xls (revised 2-8-13), worksheet tab A Pages Summary.

Please explain why there is a decrease in total volume variable costs for International Mail in the booked version of the ICRA under Proposal Four compared to the booked version of the FY 2012 ICRA.

By the Chairman.

Ruth Y. Goldway